

United States Senate

WASHINGTON, DC 20510-2202

January 14, 2009

Lawrence Summers
Director-designate
National Economic Council
451 6th Street, NW
Washington, DC 20270

Dear Dr.  Summers:

Before Congress votes on whether to release the second \$350 billion in TARP funds, I would like to receive the following assurances regarding federal assistance under TARP and other programs to supplement the assurances you provided in the letter to the Congressional leadership dated January 12, 2009.

1. The second report of the Congressional Oversight Panel, issued January 9, 2009, states:

“The Panel still does not know what the banks are doing with taxpayer money. Treasury places substantial emphasis in its December 30 letter on the importance of restoring confidence in the marketplace. So long as investors and customers are uncertain about how taxpayer funds are being used, they question both the health and the sound management of all financial institutions. The recent refusal of certain private financial institutions to provide any accounting of how they are using taxpayer money undermines public confidence. For Treasury to advance funds to these institutions without requiring more transparency further erodes the very confidence Treasury seeks to restore.”

Your letter states that the Treasury Department will “monitor, measure and track what is happening to lending by recipients of our financial rescue assistance.”

Does the incoming Obama Administration assure Congress that TARP recipients will be required by the Treasury to track and report their use of TARP funds, and that this information will be made available to the Congress and the public?

2. The Summers letter states that recipients of “exceptional assistance” will be “subject to tough but sensible conditions that limit executive compensation until taxpayer money is paid back, ban dividend payments beyond *de minimis* amounts, and put limits on stock buybacks and the acquisition of already financially strong companies.”

Does the incoming Obama Administration assure Congress that recipients of “exceptional assistance” will be subject to at least the same compensation limits as have been placed on recipients of funds under the TARP’s Automotive Industry Financing Program?

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3. **Does the incoming Obama Administration assure Congress that Treasury will obtain agreements from TARP recipients on benchmarks the recipient is required to meet so as to advance the purposes of TARP?**
4. **Does the incoming Obama Administration assure Congress that it will ensure that banks use a significant portion of TARP funds to extend credit?**
5. **Does the incoming Obama Administration assure Congress that a significant portion of the remaining TARP funds will be used to carry out a comprehensive plan to prevent and mitigate foreclosures on residential mortgages?**
6. **Does the incoming Obama Administration assure Congress that banks which receive "exceptional assistance" will be required to adopt a systematic residential mortgage mitigation program?**
7. **Does the incoming Obama Administration assure Congress that recipients of assistance under TARP and other federal programs will be required to develop and submit a written financial viability plan just as was required of recipients of funds under the Automotive Industry Financing Program?**

Thank you for your prompt response on this important matter.

Sincerely,

A handwritten signature in black ink, appearing to read "Carl", with a stylized, cursive script.

Carl Levin

cc: The Honorable Harry Reid
The Honorable Richard J. Durbin
Secretary-designate Timothy Geithner